

**ORANGE COUNTY  
BOARD OF EDUCATION**

**AGENDA ITEM ABSTRACT**

**Meeting Date:** February 6, 2012

**AGENDA ITEM No.** 12-02-15

**ACTION ITEM: (Y/N)** Y

**SUBJECT:** Old 911 Center Building Lease Approval

**INFO. CONTACT:** George McFarley, Jr. **PHONE:** 919-732-8126

**ATTACHMENTS:**

1. Lease agreement between Orange County Government and the Orange County Board of Education (OCBOE).
2. December 17, 2009 letter to the Board of County Commissioners.

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**PURPOSE:** The purpose of this item is to allow the Board of Education the opportunity to approve a 20 year lease of the former 911 Center.

**BACKGROUND:** In December 2009, the OCBOE requested to utilize the vacated space in the R.E. Whitted Building to house administrative personnel. The space was requested in order to free up classroom space in school buildings currently used for district office staff. The attached letter provides related background information. This request was later withdrawn due to the high cost of needed renovations to the facility.

In November 2011, the Board of County Commissioners approved a proposal to lease the Old 911 Call Center on New Hope Church Road to the Orange County Board of Education for 20 years. The building is adjacent to New Hope Elementary School. If the lease is approved, district level staff currently housed at Central Elementary, Gravelly Hill Middle and Cedar Ridge High schools will move to the new site in the spring and early summer of 2012. Divisions to be relocated include: elementary education, technology, secondary education, exceptional children and career and technology education. The move will free up two classrooms at Central Elementary, three classrooms at Gravelly Hill and create teacher work and storage space at Cedar Ridge High. Twenty staff members would be relocated to the new space.

**FINANCIAL IMPACT:** The financial impact of the lease is a one-time payment of ten (10) dollars.

**RECOMMENDATION:** The Superintendent recommends the Board of Education approve the lease agreement for the property at 1914 New Hope Church Road, Chapel Hill, NC.

This lease agreement dated the 13<sup>TH</sup> day of December, 2011 by and between Orange County, North Carolina, hereinafter called the 'County' and the Orange County Board of Education, hereinafter called the "OCBOE".

**WITNESSETH:**

The County hereby leases to OCBOE and OCBOE hereby leases from the County the following described property, hereinafter called the "Leased Premises".

**1. LEASED PREMISES**

The Leased Premises is defined as the building and real estate owned by the County at 1914 New Hope Church Road, Chapel Hill, North Carolina; more particularly described in the Orange County land records system as PIN number 9872 86 2049.

**2. TERM OF LEASE**

The term shall commence on the first day of January, 2012 and shall terminate on December 31, 2031; or as otherwise provided in this lease.

**3. RENT**

In partial consideration for its acquisition of rights to use the Leased Premises during the lease term, the OCBOE hereby agrees to pay to the County total rent for the lease term in the amount of \$10, payable at the commencement of this lease, receipt of which the County acknowledges. The County and the OCBOE acknowledge their understanding that although the use of the County's property being provided to the OCBOE for use as operational offices represents substantial value to the OCBOE, any payment by the OCBOE of a market value rent would represent simply an accounting transaction, because the OCBOE's funding is primarily provided through the County.

**4. USE OF LEASED PREMISES**

The OCBOE shall use the Leased Premises for the purpose of housing administrative and support staff. The property shall be used for no other purpose without the express written permission of the Orange County Board of Commissioners.

**5. REPAIR AND MAINTENANCE**

OCBOE shall, at its own expense, keep the Leased Premises in good repair and in good operating condition, making from time to time all necessary repairs or replacements as may be needed. OCBOE may at its own expense make additions, modifications or improvements to the Leased Premises, provided none of these actions adversely affect the structural integrity of the building or reduce its value in any manner. OCBOE shall request written permission of changes, modifications and improvements from County prior to commencing such work; permission by County shall not be unreasonably withheld.

**6. UTILITIES**

Utility costs shall be the sole responsibility of OCBOE.

**7. SIGNS**

The OCBOE may provide signage that it deems appropriate to properly direct the students, staff and public to the services being offered at the Leased Premises. All

signs erected by the OCBOE shall comply with all requirements of public authorities having jurisdiction with respect thereto.

**8. INSURANCE**

During the Term, OCBOE shall keep the Leased Premises continuously insured against such risks as are customarily insured by OCBOE for buildings involving similar functions/activities as may be carried out at the Leased Premises, paying as the same become due all premiums in respect thereto. Coverage shall include, but not necessarily be limited to: (1) property insurance to the full insurable value, including any improvements, as determined on July 1 of each year of the Lease Term; (2) comprehensive liability insurance in the amount of at least \$1 million primary/\$2 million aggregate limit.

The OCBOE shall obtain an endorsement to its comprehensive liability insurance policy naming the County, its Board of County Commissioners and employees as additional insureds. The OCBOE shall provide the County with and maintain current a certificate from its insurance carrier confirming the contractual liability endorsement required in this paragraph. The Certificate of Insurance shall indicate coverage cannot be cancelled or modified without a minimum of 30 day notification to County.

**9. INDEMNITY**

To the extent permitted by law, the OCBOE shall and hereby agrees to indemnify and save the County harmless against and from all claims, by or on behalf of any person, firm, company or other legal entity, arising from the operation or management of the Leased Premises during the lease term, including any arising from (a) any condition of the Leased Premises; or (b) any negligent act of the OCBOE or any of its agents, contractors or employees or any violation of law by the OCBOE or breach of any covenant or warranty by the OCBOE under this lease. The OCBOE shall, upon notice from the County, defend or pay the cost of defending the County in any action or proceeding brought in connection with any claims arising out of circumstances described in (a) or (b) above.

**10. ENVIRONMENTAL LAWS**

OCBOE shall comply with, and shall indemnify and hold County harmless from any loss, cost or expense, (including reasonable attorney fees, expert testing, analysis, or witness fees) arising from any actual or claimed failure to comply with the laws, regulations or requirements of any federal, state, or governmental authorities regarding OCBOE's use, storage, transportation, sale or disposition of any hazardous or toxic substances in or about the leased premises, including but not limited to all costs associated with testing, analysis, assessment, removal or abatement of such substances as may be required by such authorities or the County.

**11. QUIET ENJOYMENT**

The County agrees that the OCBOE, upon paying the stipulated rental and keeping and performing the agreement and covenants herein contained, shall hold and enjoy the Leased Premises for the lease term, subject to the terms of this lease.

**12. ASSIGNMENT AND SUBLETTING**

OCBOE shall not assign or sublet leased premises.

13. **IMPROVEMENTS**

All additions, alterations, fixtures and improvements shall become the property of County and be surrendered with the premises at the termination of this lease. OCBOE shall have the right to remove or replace moveable fixtures provided OCBOE repairs damages caused by such removal.

14. **ACCESS BY COUNTY**

OCBOE shall have the right to re-key the leased premises pursuant to current keying policies for school facilities. County shall have the right to enter the leased premises at reasonable times and with reasonable notice to inspect conditions of the leased premises as deemed appropriate. OCBOE shall accommodate such requests in a timely manner.

15. **TERMINATION**

Upon mutual consent of both the County and OCBOE, this lease may be terminated by giving no less than 180 day written notice to the other party.

16. **NOTICES**

For the purpose of notice or demand, the respective parties shall be personally delivered or served by certified or registered mail, return receipt requested, addressed to County or OCBOE at their respective office address, as set forth herein:

TO COUNTY:                                      Orange County  
Director of Asset Management Services  
PO Box 8181  
Hillsborough, NC 27278

TO OCBOE:                                         Orange County Board of Education  
% Superintendent  
200 East King Street  
Hillsborough, NC 27278

or at such other address as may hereafter be designated in writing by either party hereto. The time and date on which mail is postmarked shall be the time and date on which such communication is deemed to have been given.

17. **ENTIRE AGREEMENT**

This lease contains the entire agreement between the parties hereto, and no promises, agreements, conditions or stipulations not contained herein shall be binding upon either party hereto.

18. **MODIFICATIONS**

This Lease may not be modified, except in writing and signed by authorized representatives of both parties.

19. **SURVIVAL**

The representations, warranties and indemnifications contained herein shall survive the termination or expiration of this Lease.

The parties hereto have executed this lease as of the day and year first above written.

County of Orange

Orange County Board of Education

By: Bernadette Pelissier  
Chair-Orange County Commissioners

By: \_\_\_\_\_  
Chair, Orange County Orange County Board of Education

Attest: [Signature]  
Donna S. Baker, Clerk to the Board  
STATE OF NORTH CAROLINA

Attest: \_\_\_\_\_

COUNTY OF ORANGE

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that \_\_\_\_\_ personally appeared before me this date and acknowledged that he/she is the \_\_\_\_\_ to the Orange County OCBOE, and that by authority duly given and as the act of the OCBOE, the foregoing instrument was signed in its name by \_\_\_\_\_, Chair, sealed with its official seal, and attested by himself/herself as its \_\_\_\_\_.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

STATE OF NORTH CAROLINA

ORANGE COUNTY

I, Evelyn M Cecil, a Notary Public for said County and State, do hereby certify that Donna S. Baker personally appeared before me this date and acknowledged that she is the Clerk to the Board of Commissioners of Orange County, and that by authority duly given and as the act of Orange County, the foregoing instrument was signed in its name by Bernadette Pelissier Chair, sealed with its official seal, and attested by herself as its Clerk.

Witness my hand and official seal, this the 23 day of January, 2011<sup>12</sup>.

Evelyn M Cecil  
Notary Public

My Commission Expires: 10-13-2014

